

~~SECRET~~ (When Filled In)

AREA OR COUNTRY	ORGANIZATION(S)	GENERAL FUNCTION(S)	SPECIFIC FUNCTION(S)	DOC DATE CLASS
HQ	OCD ✓ DCI	DDP	Intell (dissemination) Intell (reporting) Intell (requirements)	4 Feb 1949
	OSI	FI	Intell (evaluation) Personnel	
	OSO	CI	Intell (production) Security	
	ORE		Functions Procedure Policy	
IDENTIFICATION OF DOCUMENT Memo of ADSO to Director of Central Intelligence. Subject: Reports, OSO; 5 p.			Security clearance Counterespionage Liaison (inter-agency)	
ABSTRACT NOTATION REFERENCES Reference: Memo 25 Jan 1949, DCI to ADSO and Memo 19 Jan 1949 from Ass't Director/OCD to DCI. Notes apparent points of divergence OSO, C.E. reporting practice, and DCI policy. OSO objects to inclusion of ORE into normal channels of C.E. intelligence information, noting OSO authorization to maintain direct liaison with agencies concerned with C.E. information Summary of suggestions: a) ORE and OSI submit requests in writing to OSO for CE material. b) OSO is producer of finished CE product, not to be acted upon without prior coordination with OSO. c) OSO transmit CE material directly to ORE and OSI, avoiding OCD. d) OSO welcomes requests for CE reports from all agencies.				
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To: The Director

From: A.S.

Subject: Reports, Office of Special Operations

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1. Reference is made to your memorandum of 25 January 1949, having the above subject, to which was attached a memorandum to you from [REDACTED] Assistant Director OSO, dated 19 January 1949, entitled "OSO Reports dealing with counter-espionage".

2. It should be noted that the dissemination policy of OSO with respect to counter-espionage has for well over a year been consistent with the aims and purposes of your recent instructions.

3. Essentially the points giving the appearance of divergence between OSO practice and your recent statement of policy appear to be as follows:

- a. OSO has not disseminated counter-espionage information to JKA and other government agencies through J.D.
- b. OSO has not sent copies of all counter espionage disseminations to JKA.

With respect to (a), it is desired to point out that OSO is authorized to maintain direct liaison with customer agencies with respect to counter-espionage matters and is a producer of evaluated information in this connection. OSO counter-espionage customers are relatively few in number. Because of this fact, and the vital need for continued direct contact between user agencies and OSO for operational coordination and security, it is the firm belief of OSO that to inject another group into the channel and thereby insulate OSO from its customers for counter-espionage material is injudicious.

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Date: 1 3/2/52

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4. It is recognized that ORR and the new factor, OSI, do not come in the same category as other OSO counter-espionage users. However, it is not believed the fact that OSO counter-espionage information is to be sent to other offices of CIA (i.e., ORR and OSI) so changes the basic relation of producer to user as to make it necessary to route the material through OOD. ORR and OSI will also benefit from direct access to OOD, the producing and evaluating office. OSO can readily disseminate directly to ORR and OSI, given a statement of their requirements. Such procedure would encourage an increase in OSO responsiveness to ORR needs and strengthen security by the elimination of those who do not "need to know". Further, it is not believed that OSO counter-espionage information, of which OSO is the recognized collator and evaluator, should be placed in the same category as that received from outside agencies as needing parcelling out to other CIA offices by yet another office. The purpose OOD serves in sorting out the sources and users of positive intelligence is not needed with respect to counter-espionage information.

5. With respect to (b), it is desired to point out that OSO has disseminated to ORR the substance of all counter-espionage information which that office has indicated as being needed. Disseminations have been selected and forwarded on the sound security principle recognized in all operating intelligence agencies as the "need to know". Inasmuch as ORR is not an evaluating organization with respect to counter-espionage matters and its use for detailed data on the identification and activities of suspected foreign intelligence agents is not apparent, no effort has been made to forward complete information of that type. OSO has always stood ready to attempt to fulfill any requirements statement by ORR.

6. Inasmuch as OSO had no opportunity to express its opinions and recommendations in regard to the memorandum of the Assistant Director, OSO prior to the recent directive from you based upon it, I would like to extend my remarks in order that you may also be apprised of the position of OSO in this matter.

7. With respect to paragraphs 1 and 2 of the memorandum and the example quoted therein, OSO does not see what effective use could be made of the contents of the report by other offices of this Agency. The report was sent to other operating security agencies to advise them of the facts contained therein which might affect their activities, and in order that they might return to OSO any additional information they possess to complete the files of OSO. Agreements have been reached with these agencies that

they will not mount operations on such OSO information and will advise OSO if operations have already been mounted affecting the subject of the dissemination. These agreements seem to preclude the possibility of security threats arising from the uncoordinated operations of other agencies. This dissemination does not indicate a trend or other fact of wide significance. It is merely a spot report of local meaning. Its main significance at this time is operational, as it suggests the need of further local investigation.

8. In view of the unknown but wide dissemination made of information by other via offices, were OSO counter-espionage information to be placed therein the careful work which has gone into the establishment of secure and known channels for counter-espionage dissemination would be lost. It is submitted that the dissemination of detailed and specific CE information to unknown ultimate readers is faulty practice from an operational security point of view. There remains to be established what other effective use of such information can be made by JMS or other offices. The mere act of reading and the fact of possessing such information by other offices would not be productive. The only other function which might be performed is that of evaluation and collation. However, with respect to counter-espionage material, such function is the province of OSO as the only office having possession of all the facts in any counter-espionage case and competent to evaluate and collate them.

9. OSO recognizes the function of JMS with respect to overall reporting of subversive information with respect to strategy and foreign capabilities and has, in keeping with its policy, forwarded all such information received for JMS use. If in the future it is desired that JMS prepare finished reports to which counter-espionage data are necessarily incident as they may affect the general subversive picture, JMS should make its needs known to OSO which, as the evaluator and collator of counter-espionage information, will be happy to prepare and forward for JMS use an appropriate report on the indicated subject.

10. With respect to paragraph 4 (a) of the memorandum, it should be noted that JMS is the "producer of finished intelligence for this agency" with respect to counter-espionage matters.

11. I agree with [REDACTED] 25X1A9a (paragraph 4 (b)) that there is a need for clarification of Agency policy with respect to the tasks assigned the International Communist Division of JMS, which is to produce "reports on Soviet and Communist efforts to undermine foreign governments", particularly where such tasks are closely allied to those of OSO. However, I feel that this question should be considered separately and not in this memorandum. It is suggested here again that ORE make its needs known to OSO.

12. With respect to paragraph 4 (c), I wish to state that OSA receives from OGD "all information obtained by them concerning Soviet and Communist actions in foreign countries". In this category should be classed the monthly counter-espionage summary, the numerous studies prepared by the OGD office responsible for the USSR and its activities, the aperiodic summary reports on foreign intelligence systems, and approximately 400 reports on subversive matters which are forwarded each month. If it is meant by Mr. [REDACTED] that Soviet counter-espionage activity information is not received through OGD, that point is taken up elsewhere in this memorandum.

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13. In regard to paragraph 4 (d), it is pointed out that the fact that OSA analysts are cleared to "deal with materials classified higher than for S&HRP" has no bearing on the advisability of making all OGD counter-espionage information available to them. The security practices followed by all operating intelligence agencies recognizes the security clearance factor and, as corollary to it, the factor of "need to know". The mere fact of security clearance alone should not confer the right to review intelligence material without regard for the "need" for such review. Hence the statement that OSA has withheld counter-espionage information from OSA because it was classified as being "too sensitive" is a misconception. In fact, in no known instance has OSA "withheld" from OSA or OSA on so-called "security grounds" any counter-espionage information which they have needed to know or been able to take any action on.

14. With respect to paragraph 4 (e), I do not agree that it is damaging to the prestige of this agency for OSA analysts to be shown in the offices of other agencies OGD produced information which was not disseminated to them on the basis of the considered judgment of OGD that such reports were not necessary for them to perform their function as that factor has been made known to OGD by OSA.

15. As I pointed out above, good security and operational practice would ensure that persons not having the "need to know" would not have disseminations of material irrelevant to their duties distributed to them. Lack of knowledge of the details of a specific case can be easily explained and should be looked upon as an indication of a desirable situation rather than as an embarrassment. It is doubted that even with the removal of all controls all analysts could make themselves aware of all reports so as to obviate "embarrassment".

16. I am in agreement with paragraph 5 of the memorandum but would like to extend safeguards not only to our own personnel, but also to the agents and informants used by them often at the risk of life and limb in the most literal sense of the words.

More than a score of such persons have disappeared, been tortured and imprisoned by opposing forces. OSO is vitally concerned with these facts. I also agree that their information should be fully exploited and, for that reason, OSO has employed and is continuing to search for the most competent specialists in counter-espionage matters obtainable. I wish to point out, however, that with respect to counter-espionage matters, the specialists must of necessity be employed by OSO.

17. I respectfully suggest that you consider the following with respect to the reiteration and establishment of policy for OSO counter-espionage disseminations to ORA and OSI:

- a. That ORA and OSI make known to OSO in writing their needs with respect to counter-espionage information and the use to which the information, in the case of each request, is to be made.
- b. That with respect to counter-espionage information, OSO is the producer of finished intelligence for this Agency and that no dissemination or action be taken regarding counter-espionage information, regardless of its source, without prior coordination with OSO.
- c. That OSO transmit finished reports on counter-espionage matters of interest to ORA and OSI direct, without the intervention of OCB, and that it be recognized OSO is available for discussion concerning the contents, evaluation, collation, and follow-up of such reports.
- d. That OSO, as the producer of finished counter-espionage reports for the Agency, welcomes requests for collated reports in such matters and will prepare them to include information from its files and those of other cooperating security agencies upon the receipt of a request from an authorized officer, outlining the use to be made of the information.

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